

Virginia Recycling Markets Development Council

Thursday, Nov 4, 2010

Omni Hotel, Charlottesville VA

Draft Meeting Minutes

1. **Welcome & Introductions:** Chairman Sisson called the meeting to order at 3:05 p.m. and asked for members and guests to introduce themselves and asked Mr. Byrnes to take notes on the meeting for minutes.

RMDC-Present	Representing	RMDC-Absent	Representing
P. Abraham	Plastics Industry	B. Harris	Waste Industry
M. Benedetto	Paper Industry	M. Ward	Oil Industry
R. Broom	Compost Industry	J. Kline	Tire Industry
K. Byrnes	Urban PDCs	R. Lerner	Metal Industry
T. Edwards	Rural PDCs	J. Segovia	Public At-Large
J. Sisson-Chair	Recycling Industry	T. Smith	VACO
J. Kemper-Garrett	Glass Industry	Vacant	VML
		Vacant	Aluminum Industry
		Chris Ambrose	Electronics Industry
S. Coe	VDEQ		
W. Bailey	VDOT	W. Vehrs	VDBA
B. Crawford	VDGS		
Visitors			
Jason Mullins	Cumberland Plateau WMA	Kate Vasquez	VRA & Fairfax Co
Michelle Minstrell	G.B.B.	Erica Trout	VRA
Debbie Spiliotopoulos	NoVa Regional Commission	Kim Hynes	CVWMA
Stiles Peabody	City of Alexandria	Erica Carter	Fairfax Co DSWCR
Tim Lee	TFC Recycling		

2. **Determination of Quorum:** Initially, the meeting lacked a quorum
3. **Approval of Agenda:** Lacking a quorum to approve the agenda, the Chairman suggested that he would like to alter the published sequence of agenda items and get a consensus of members present on business items requiring Council action and then he would poll the remaining membership after the meeting to determine the Council's support for various business items.
4. **Review and Discussion of Proposed Position Letter to EPA, re: CCR:** Chairman Sisson introduced this item sent out in the agenda package, asking if present members had any comments on the content. Mr. Byrnes noted that the reference to the "Environmental protection Agency" should be corrected to correct the capitalization of "Protection" and that he had no concerns over the remaining content of the letter. The Chair polled the members and the 6 members present supported the draft letter (with 1 noted correction). Chair Sisson indicated that he would contact the remaining members to poll their position on the letter and if there was a majority in support, that he would send the letter on to the EPA on Council stationary.
5. **Approval of Minutes from Sept. 1, 2010:** Still lacking a quorum, Chair Sisson asked the members present if there were any comments on the Minutes. Mr. Abraham joined the meeting at 3:12 pm, apologizing for his late arrival, and established a quorum of the Council membership. On a motion by Mr. Edwards, seconded by Mr. Byrnes, the minutes of the Council's meeting of 9/1/2010 were approved.

Before the Chair moved on to the next item of business, Mr. Byrnes asked if he would like to re-visit Item 4 now that the Council had a quorum present and poll Mr. Abraham regarding his comments on the draft letter. Mr. Sisson asked Mr. Abraham for his reaction to the draft letter considered prior to arrival at the meeting. Mr. Abraham indicated that he had no comments or changes to make, agreeing with the letter. Chair Sisson announced that with the unanimous support expressed earlier, he would prepare the letter and send it on to EPA.

6. **DEQ Staff Report:** Steve Coe summarized the 2009 State Recycling Report, noting that the overall State recycling rate in 2009 was 38.6% and that all reporting units had finally achieved or exceeded the applicable recycling rate, representing 100% compliance with the State recycling rate mandate for the first time since

1989 when the recycling rates was established. Mr. Coe reviewed other highlights of the report, noting that MSW tonnages were down in 2009 and reflected national trends associated with the economic recession that had reduced overall product consumption and waste generation.

Mr. Benedetto asked if the proposed federal regulatory action on fly ash would adversely impact State or local recycling rates. Mr. Coe responded that fly ash generally had no effect on local recycling rates. Mr. Byrnes questioned this observation, noting that fly ash use at some landfills (like Waste Management landfill in King George Co) resulted in some extra recycling credits that benefited local rates. Mr. Coe agreed that there are a few instances where fly ash use (e.g. as landfill daily cover) is given some extra recycling credit (up to the cap of 5% added to the local recycling rate).

Mr. Abraham noted that the recent historical growth trend for commingled material showed a decline in 2009 and asked if there was an explanation for this. Mr. Byrnes suggested that this was probably also a symptom of the recession, like the decline in MSW tonnage, and Messrs. Coe & Benedetto agreed.

Mr. Peabody (City of Alexandria) asked if the State had a methodology for disaggregating the commingled tonnage to get a handle on the relative mix of discrete recyclable materials reported under "commingled". Mr. Coe said that "commingled" or "single-stream recyclable material" was treated as a discrete commodity, with no method for breaking down its composition by product type. Mr. Peabody noted that this skews the data for any trend analysis on the recovery of discrete commodities.

Mr. Coe also noted for the Council's consideration the August 3, 2010 comments from DEQ Waste Division Director Jeff Steers to EPA regarding off-spec used oil, coal refuse, sewage sludge and tires.

7. Reports, Review and Discussion of Industry-Specific Recycling Data as presented by Council Members

Mr. Benedetto led a brief discussion regarding the trends in paper recycling markets, noting that growth seem to be coming from increased recovery of packaging material. Current market prices are strong as China continues to show strong demand for recycled paper fiber. There is some market consideration of revising the #8 ONP paper specification as it is increasingly difficult to meet that product specification as old newspapers are a declining commodity in the waste stream due to reduced consumer demand for and recovery of daily newspapers. Mr. Benedetto recognized Tim Lee of TFC Recycling that helped prepare the handout provided to Council members on the paper recycling market. Mr. Lee referenced the emergence and role of the Sustainable Packaging Institute and that the role of packaging is evolving in industry's response to reducing waste and packaging in the cost of a product.

Mr. Peabody asked about the domestic demand for low grade paper. Mr. Benedetto indicated that low-grade papers are part of the exported paper market and that the paper industry is primarily driven by avoidance of landfill disposal costs.

A general discussion ensued on the market trends for other recyclable commodities. Mr. Benedetto offered that compared to last year aluminum prices are up about 25% , steel is stable, plastics are up 15-20% and glass is difficult to market at all, citing the lack of a beneficiation plant in Virginia to supply clean glass to meet plant requirements in Virginia and elsewhere, resulting in Virginia's 2 glass manufactures to get glass feedstock from out of state.

Mr. Broom discussed market trends with organic composting market, with 13 permitted composting operations in Virginia that primarily process yard waste material. There is emerging demand for composting outlets for food waste. WalMart made a commitment this past summer to recycle about 200 tons a year of discarded produce from retail stores. This volume of diversion has caused major waste haulers to seek partnerships with operations that can compost these materials. Also, the lower tipping fees charged to handle food wastes is attracting food wastes from Northern Virginia, Richmond area where other large commercial generators are located.

Mr. Edwards left the meeting at approximately 3:50 pm.

Mr. Broom went further into discussing the growing interest in waste-to-energy type plants that consume food wastes to produce electricity (e.g. "green power") that are eligible for tax credits and can sell "renewable energy" but these plants aren't quite economically viable due to lower electricity rates in Virginia as compared to places in Europe (e.g. Germany) where electric rates are more than 3x the current rates in Virginia. In spite of these market challenges, Mr. Broom indicated that he sees potential practical combinations of composting and energy production technologies.

Mr. Sisson asked if the source of his food waste feedstock. Mr. Broom indicated that it is quite diverse, ranging from discarded produce from groceries to sludge from poultry processing plants and rendering plants.

Mr. Abraham mentioned that he anticipates legislation in the 2011 General Assembly that will ban the use of phosphorus fertilizers as part of Virginia's Chesapeake Bay clean-up response and wondered how that might affect demand for organic compost. Mr. Broom explained that the chemistry is rather complex but that it is possible to produce natural/organic fertilizers that bind the phosphorus molecules in organic fertilizers so that the phosphorus is not released to be taken up in the ground or surface water.

Due to the water retention properties of compost when added to remediate certain soil types, the demand for compost is very strong. Mr. Byrnes indicated that in the Fredericksburg area, he has succeeded in encouraging local public compost producers to donate compost to enrich new community gardens that are springing up in response to the public interest in "buy fresh/buy local" and homegrown produce programs. Mr. Broom cited some instances of when the media will slant a story about well-intentioned use of compost material to enrich poor soils and misrepresent it as some kind of public health threat. In response to another question, Mr. Broom indicated that he sees the practical hauling distance for compostable food waste being 75-90 miles, even though WalMart is willing to haul their food waste farther. WalMart doesn't apply conventional business economics to their decision to compost food waste since they view this as part of their corporate commitment to a more "sustainable" business model. Mr. Broom concluded with the observation that clearly a dedicated organic/food waste transfer systems will be necessary to move high volumes of this material to the few industrial-scale operations that can efficiently produce a quality compost product and operate without threat from "NIMBY"-oriented property owners.

Mr. Benedetto left the meeting at 3:59 pm.

8. Old Business

Chair Sisson recognized the arrival of Bill Bailey from VDOT and explained the action taken by the Council on the draft letter to EPA regarding fly ash regulations that had been drafted by Mr. Bailey. Mr. Bailey summarized a few of the points of concern and possible adverse impact on Statewide road maintenance and reconstruction efforts. Mr. Byrnes asked if the letter would be copied to the Governor, Secretary of Natural Resources and Virginia's Congressional delegation (House & Senate) to make the delegation aware of the concerns of the Council. Mr. Sisson indicated that the Congressional delegation could be copied with the letter to EPA.

Mr. Byrnes asked if the Chair intended to discuss his e-mail regarding the Council's discussion at the last meeting about the need to really identify economic impact of recycling in Virginia and find meaningful projects which the Council could recommend to the Administration to mitigate a recyclable material marketing problem or generate economic opportunity by establishing needed processing or manufacturing infrastructure to use recovered material.

Mr. Byrnes also referenced the state-by-state comparison of recycling industry economic impact presentation during the VRA luncheon earlier by the SERDC representative.

Mr. Abraham agreed that the Council had previously discussed the challenges of cost-effective recycling in Southside and Southwest Virginia, noting the need for public infrastructure support to create the "super-MRF" facility that could prepare material for efficient transport to market. Another example noted by both Mr. Abraham and Mr. Kemper-Garrett was the need for Virginia to perhaps offer appropriate economic incentives (e.g. low-interest loans) to attract a glass beneficiation plant to process Virginia's recovered post-consumer glass bottles for in-state consumption at in-state glass bottle plants. Mr. Abraham suggested that focusing on these kinds of projects would be worthwhile effort for the Council.

9. New Business

Mr. Abraham asked if any of the Governor's reform commission recommendations addressed or referenced the RMDC, noting that this Administration will continue to look for abolishing unproductive or costly public advisory commissions. Chair Sisson noted that the Council's discussion at the last couple meetings has been about trying to produce recommendations responsive to the Governor's economic development agenda. Mr. Kemper-Garrett suggested the Council ask private industry about what is needed to make a glass beneficiation plant in Central Virginia or a super-MRF in Southside or SW Virginia economically viable.

Chair Sisson announced that at the next meeting in December, the Council would need to consider nominations for leadership positions and indicated that Mr. Benedetto had agreed, before leaving the

meeting earlier, to chair the Council's Nominating Committee and asked for another member to serve with him. Mr. Byrnes offered to serve on the Nominating Committee. Mr. Abraham noted that having public and private representation on the Nominating Committee was a good idea. With no other volunteers offering to serve, Chair Sisson agreed that Messrs. Benedetto and Byrnes would prepare a slate for consideration by the Council.

Mr. Crawford (DGS) announced that the State had just finalized a public contract open to regional and local public bodies to recycle electronic waste products, including computers, cell phones, etc., noting the advantage of the contract was that no pre-disposal preparation of computer hard drives was necessary to erase any sensitive data. The contract was awarded to Creative Recycling and details can be found through the DGS website at:

<http://www.dgs.virginia.gov/FederalStateSurplusProperty/tabid/136/Default.aspx>

10. Public Comment

Kate Vasquez (VRA & Fairfax Co) noted that the VRA annual meeting earlier in the afternoon had working groups that explored popular themes that could become "Councils" to focus and energize the membership. One of these themes was Recycling Market Development and the group discussed how they could support the work of the Council unimpeded by the Council's limitations of quarterly meetings, FOIA-able communications, etc. Chair Sisson expressed appreciation for the VRA's interest in supporting the Council's work and thought it was a good idea that should be explored further.

11. Schedule Next Meeting & Adjournment

After some discussion, the Council agreed to meet at 10:00 am on Dec 1st at DEQ's Piedmont Regional Office in Richmond.

With no further business, the Council adjourned at approximately 4:50 pm.